

# IDAHO OUTLOOK

## NEWS OF IDAHO'S ECONOMY AND BUDGET

STATE OF IDAHO

DIVISION OF FINANCIAL MANAGEMENT

JANUARY 1999 VOLUME XIX NO. 7

**Population News.** Each year a population sweepstakes of sorts takes place. This year was no exception. On December 31, 1998, the U.S. Census Bureau released its population estimates for July 1, 1998 for each state and the District of Columbia. Once again, DFM would like to share with you the fruits of the Census Bureau's labor. The results are in, and they are listed in order from fastest to slowest growing states in the table on the right. In the category of fastest growing states, the winner is perennial champion Nevada. What Tom Hanks is to the movies, Nevada is to population growth. Once again the Silver State finds itself at the podium accepting yet another award. In 1998, its population rose by a strong 4.1%. Arizona received the best supporting role award, finishing 1.6 percentage points behind Nevada, with 2.5% growth. There were an unusual number of ties among the ten fastest growing states. Colorado and Georgia were right behind Arizona with 2.0% growth. Texas' population increased 1.9% and Utah's rose 1.7%. Three states, Florida, Idaho, and North Carolina, all saw their populations jump 1.6%. California, the nation's most populous state, slipped into the top ten this year, with 1.5% growth. Other states barely eked out gains. Connecticut, Maine, Montana, New York, and Wyoming all grew by just 0.2%. Some states posted even smaller increases. Hawaii, Ohio, Rhode Island, and South Dakota advanced just 0.1%. Not all areas saw their populations increase, however. D.C., North Dakota, West Virginia, and Pennsylvania all saw their numbers shrink from 1997 to 1998.

**Population Trends.** In late December, the Census Bureau also published population growth rates from 1990 to 1998 for each state. A comparison of this list and the one printed to the right shows remarkable similarities. Indeed, eight of the ten states with the highest growth from 1997 to 1998 also had the strongest growth over the decade. They were Nevada, Arizona, Idaho, Utah, Colorado, Georgia, Texas, and Florida. For example, and to no one's surprise, Nevada and Arizona have been the fastest growing states so far this decade. From 1990 to 1998, Nevada's population has increased over 45%, while Arizona's advanced by nearly 28%. Idaho was in third place with 22% growth. With just one exception, strong migration accounted for more than half of these states' growth. At the high end were Nevada and Florida. In both of these states, about 80% of their gains were due to net in-migration. In most other states, about 60% of the increase was explained by in-migration. For example, about 65% of Idaho's population rise resulted from new residents. The exception to this was Utah. Net in-migration has accounted for just 30% of Utah's population growth this decade. Instead, the Beehive State has depended on natural increases (births less deaths) to fuel the lion's share (70%) of its population expansion. This is consistent with the state's traditionally high birth rate.

POPULATION				
	1997	1998	Change	% Change
United States	267,743,595	270,298,524	2,554,929	1.0%
Nevada	1,678,691	1,746,898	68,207	4.1%
Arizona	4,553,249	4,668,631	115,382	2.5%
Colorado	3,892,029	3,970,971	78,942	2.0%
Georgia	7,489,982	7,642,207	152,225	2.0%
Texas	19,385,699	19,759,614	373,915	1.9%
Utah	2,065,001	2,099,758	34,757	1.7%
Florida	14,677,181	14,915,980	238,799	1.6%
Idaho	1,208,865	1,228,684	19,819	1.6%
North Carolina	7,430,675	7,546,493	115,818	1.6%
California	32,182,118	32,666,550	484,432	1.5%
South Carolina	3,788,119	3,835,962	47,843	1.3%
Washington	5,614,151	5,689,263	75,112	1.3%
Delaware	735,143	743,603	8,460	1.2%
Oregon	3,243,272	3,281,974	38,702	1.2%
Kansas	2,601,437	2,629,067	27,630	1.1%
New Hampshire	1,172,140	1,185,048	12,908	1.1%
Tennessee	5,371,693	5,430,621	58,928	1.1%
Maryland	5,094,924	5,134,808	39,884	0.8%
Minnesota	4,687,408	4,725,419	38,011	0.8%
New Mexico	1,723,965	1,736,931	12,966	0.8%
Oklahoma	3,321,611	3,346,713	25,102	0.8%
Virginia	6,737,489	6,791,345	53,856	0.8%
Alabama	4,322,113	4,351,999	29,886	0.7%
Alaska	609,655	614,010	4,355	0.7%
Kentucky	3,910,366	3,936,499	26,133	0.7%
Mississippi	2,731,644	2,752,092	20,448	0.7%
New Jersey	8,058,384	8,115,011	56,627	0.7%
Arkansas	2,523,186	2,538,303	15,117	0.6%
Indiana	5,864,847	5,899,195	34,348	0.6%
Missouri	5,408,455	5,438,559	30,104	0.6%
Illinois	11,989,352	12,045,326	55,974	0.5%
Massachusetts	6,114,440	6,147,132	32,692	0.5%
Louisiana	4,353,646	4,368,967	15,321	0.4%
Michigan	9,779,984	9,817,242	37,258	0.4%
Vermont	588,632	590,883	2,251	0.4%
Wisconsin	5,201,226	5,223,500	22,274	0.4%
Iowa	2,854,330	2,862,447	8,117	0.3%
Nebraska	1,657,009	1,662,719	5,710	0.3%
Connecticut	3,267,240	3,274,069	6,829	0.2%
Maine	1,241,895	1,244,250	2,355	0.2%
Montana	878,730	880,453	1,723	0.2%
New York	18,146,200	18,175,301	29,101	0.2%
Wyoming	480,043	480,907	864	0.2%
Hawaii	1,192,057	1,193,001	944	0.1%
Ohio	11,192,932	11,209,493	16,561	0.1%
Rhode Island	987,263	988,480	1,217	0.1%
South Dakota	737,755	738,171	416	0.1%
Pennsylvania	12,011,278	12,001,451	-9,827	-0.1%
West Virginia	1,815,231	1,811,156	-4,075	-0.2%
North Dakota	640,965	638,244	-2,721	-0.4%
District of Columbia	529,895	523,124	-6,771	-1.3%

Source: U.S. Bureau of the Census

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**ADDRESS CORRECTION REQUESTED**

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## General Fund Update

As of December 31, 1998

<u>Revenue Source</u>	<u>\$ Millions</u>		
	FY99 Executive Estimate <sup>3</sup>	DFM Predicted to Date	Actual Accrued to Date
Individual Income Tax	818.6	360.5	369.6
Corporate Income Tax	110.4	43.4	34.0
Sales Tax	577.6	297.9	303.9
Product Taxes <sup>1</sup>	15.7	8.2	8.2
Miscellaneous	73.6	36.1	38.0
<b>TOTAL GENERAL FUND<sup>2</sup></b>	<b>1,595.9</b>	<b>746.1</b>	<b>753.7</b>

<sup>1</sup> Product Taxes include beer, wine, liquor, and cigarette taxes  
<sup>2</sup> May not total due to rounding  
<sup>3</sup> Revised Estimate as of January 1999

General Fund revenue was \$7.6 million above the target for December. This is the strongest month for revenue so far in FY 1999. However, this result should be viewed with caution for several reasons. Foremost among those reasons is that a single sales tax audit (for a multi-year period) accounts for about 85% of the total excess in December's collections. Also significant is the steep drop in Corporate Income Tax collections in December. Finally, the large gain in the Individual Income Tax is mostly the result of year-end filing payments, and only part of these collections occur in December. We really need to see December and January to know how year-end filings fared.

Individual Income Tax collections were \$9.1 million higher than expected for the month of December. Fully \$8.0 million of this is attributable to filing collections, and as such some of this strength may be an acceleration of collections that are expected in January. In another month we will see. While less glamorous, a \$1.0 million excess in the withholding category is also significant since it indicates the employment remains strong.

Corporate Income Tax collections returned to their recent trend of under-performance, but with a vengeance. December's shortage of \$9.6 million was 50% larger than July's shortage of \$6.0 million, and almost three times as large as October's shortage of \$3.3 million. On a positive note, almost half of the corporate shortage was due to excess refunds, and as such do not necessarily portend further erosion. Nonetheless, both filing collections and withholdings were off, by \$2.4 million and \$2.7 million respectively.

Sales Tax collections appeared to receive a supercharged boost of \$6.0 million in December, but upon closer examination this is entirely (and then some) due to a single \$6.5 million audit payment. Without this unusual payment, Sales Tax collections would have been one-half million lower than predicted for December. Remember, December collections reflect November sales. We won't see the full results of the holiday sales season until next month.

Product Taxes were on target in December and Miscellaneous Revenues were \$1.9 million higher than expected. The miscellaneous revenue strength was spread across insurance premium tax, interest earnings, and unclaimed property receipts.